



Workers Caring For Elderly And Children More Likely To Earn Low Wages And Lack Health Insurance, Finds New Carsey Institute Report

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DURHAM, N.H. – As baby boomers age and women with young children return to the work force, families are increasingly turning to paid workers to care for children and elderly parents and grandparents. Yet those direct care and child care workers receive low wages, change jobs often, lack health insurance, and live in low-income families at a greater rate than all female workers, according to a new policy brief by the Carsey Institute at the University of New Hampshire.

“The large-scale movement of women into the paid labor market has brought sweeping change to the structure of family life, affecting who cares for the elderly and children. Today, our society depends, in part, on the caring work of many paid professionals,” says Kristin Smith, family demographer at the Carsey Institute and co-author of the brief. Smith adds, “High turnover in both professions contributes to lower quality care leading to unfavorable outcomes for the elderly and children.”

Direct care workers comprise personal care assistants, home care aides, home health aides, and certified nursing assistants; child care workers are preschool and nursery school teachers, center-based child care providers, and home-based family child care providers.

Analyzing the most recent data from the Current Population Survey, the brief finds that median hourly wages for direct care workers are higher than those for child care workers (\$9.26 and \$7.69, respectively), but both groups earn substantially less than all female workers (\$13.46). Direct care workers, despite their higher median earnings, have lower total family incomes than child care workers (average total family income of \$40,445 for direct care workers and \$56,203 for child care workers). Both types of workers are more likely to live in low-income families than all female workers.

“One in every two direct care workers and one in three child care workers are living in a low-income family, defined as below 200 percent of the federal poverty line,” says Smith. “That’s striking, because these people are working, but they’re struggling to make ends meet.”

Education statistics of the two groups are also notable. Although child care workers are more

highly educated than direct care workers (19 percent have a bachelor's degree or higher, compared with just six percent of direct care workers), their median wages are lower.

"Normally, workers get higher returns on higher levels of education," says Smith. "Child care work seems to fall short in that regard."

Both fields of caregiving are plagued by high turnover, which impedes the provision of quality care and is a cost burden to employers. Among women employed in the direct care workforce in 2005, 60 percent remained in the direct care occupation a year later in 2006, while 33 percent left the field to work in another occupation and seven percent left the labor force altogether. A similar proportion, 65 percent, of child care workers were still employed as child care workers one year later, in 2006. The brief also finds that retention is linked to wages: direct care workers with higher earnings are more likely to remain in the occupation one year later.

Additionally, the brief finds that

- one quarter of direct care and child care workers are uninsured. In 2005, 25 percent of direct care workers and 27 percent of child care workers had no health insurance coverage, which is higher than the rate for all female workers (16 percent).
- direct care workers disproportionately reside in rural America. Direct care workers are more likely to live in a nonmetropolitan, or rural, area (20 percent) than child care workers (14 percent) and all female workers (15 percent).
- many paid caregivers will benefit from the increase in federal minimum wage. The recently passed legislation to raise the federal minimum wage from \$5.15 per hour to \$7.25 per hour will effectively increase the wages of many paid caregivers: 32 percent of direct care workers' and 46 percent of child care workers' wages will increase by a hike in the minimum wage. In 2005, 12 percent of direct care workers and 28 percent of child care workers were paid an hourly rate of \$5.15 or lower. Another 20 percent of direct care workers and 18 percent of child care workers earned between \$5.16 and \$7.25 per hour.

Says Smith. "Our society depends on the care work of direct care and child care workers to help meet the daily needs of our children and the elderly. To stem turnover and provide quality services to young children and the elderly, job conditions among the direct care and child care workforce must improve, and increasing wages is a promising place to start."

The Carsey Institute at the University of New Hampshire conducts research and analysis on the challenges facing families and communities in New Hampshire, New England, and the nation. The Carsey Institute sponsors independent, interdisciplinary research that documents trends and conditions affecting families and communities, providing valuable information and analysis to policymakers, practitioners, the media, and the general public. Through this work, the Carsey Institute contributes to public dialogue on policies that encourage social mobility and sustain healthy, equitable communities/

The Carsey Institute was established in May 2002 through a generous gift from UNH alumna and noted television producer Marcy Carsey.

Editors and reporters: A complete copy of the brief is available to download at http://www.carseyinstitute.unh.edu/documents/Caregivers%20Brief_final.pdf.

